



To enrich lives through effective and caring service



Santos H. Kreimann
Director

Kerry Silverstrom
Chief Deputy

June 21, 2011

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

18 JUNE 21, 2011

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**AUTHORIZE THE COUNTY PURCHASING AGENT TO ISSUE A PURCHASE ORDER
FOR A PROPERTY MANAGEMENT SOFTWARE SYSTEM FOR THE DEPARTMENT
OF BEACHES AND HARBORS
(SUPERVISORIAL DISTRICT 4)
(3 VOTES)**

**CIO RECOMMENDATION: APPROVE (X) APPROVE WITH MODIFICATION ()
DISAPPROVE ()**

SUBJECT

The Department of Beaches and Harbors is seeking Board authorization for the Director of the Internal Services Department, as the County's Purchasing Agent, to issue a Purchase Order to Facility Wizard Software, Inc. for a Property Management Software System.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Authorize the Internal Services Department, as the County's Purchasing Agent to issue a Purchase Order contract in the amount of \$207,310 to Facility Wizard Software, Inc. and approve up to 15 percent contingency (\$31,096), if needed for change orders, for the Department of Beaches and Harbors' Property Management Software System.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The Department of Beaches and Harbors (Department) manages leasehold properties in Marina del Rey with annual revenues of approximately \$41 million. There is a need to

streamline the property management process by using a single, specialized software package that can perform all needed operational and financial functions. One dedicated software package specifically tailored to the Department's needs would provide a single platform to accomplish all the functions that are currently accomplished using multiple systems. It is anticipated that savings will result from reduced staff processing time and increased efficiencies in managing the leasehold properties.

The Internal Services Department (ISD) released a Request for Bid (RFB-IS-11200785) on February 9, 2011. Two companies submitted bids, Yardi Systems, Inc. and Facility Wizard Software, Inc. The lowest bid received was from Facility Wizard Software, Inc. in the amount of \$210,836, which included \$123,700 in services cost. The cost was further negotiated by the Department to \$207,310 with \$123,700 in service cost. Because the services component associated with this purchase exceeds the statutory authority of the Purchasing Agent, Board approval is required to proceed with the acquisition process.

As part of the purchasing process, the Department has already obtained the necessary exception for this purchase from the Chief Executive Office (CEO), as well as submitted the purchase requisition to the County's Purchasing Agent. The Department is negotiating terms and conditions of the Purchase Order with Facility Wizard Software, Inc. and issuance of the Purchase Order will be contingent on resolution of these terms and conditions.

Implementation of Strategic Plan Goals

The purchase of property management software will promote and further the Board-approved Strategic Plan Goals of Operational Effectiveness (Goal 1), Fiscal Sustainability (Strategy 1), Service Excellence and Organizational Effectiveness (Strategy 2), and Information Technology (Strategy 5), by streamlining the Department's financial, property management, and information system processes related to leasehold property management.

FISCAL IMPACT/FINANCING

The total cost is \$207,310, which includes \$123,700 in services cost. Software hosting and maintenance fees of \$25,460 will be charged annually by the vendor. The Department is requesting that an additional 15 percent of the total purchase amount (\$31,096) be approved for contingency for change orders, if needed.

Operating Budget Impact

There is sufficient appropriation in the Marina budget unit of the Department's Fiscal Year 2010-11 Adopted Budget to fund the project cost and contingency, if needed. Future funding for the annual hosting and maintenance fees will be requested through the annual budget process.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Chief Information Officer concurs with Department's recommendation and has provided an analysis (See Attachment A). This Board letter was reviewed by County Counsel.

ENVIRONMENTAL DOCUMENTATION

The proposed action is not subject to the California Environmental Quality Act (CEQA), as it does not meet the definition of a "Project" under CEQA Guidelines Section 15378.

CONTRACTING PROCESS

On February 8, 2011, the Department issued Requisition DRQN-BH-11003048 requesting ISD to proceed with the purchase of property management software. On February 9, 2011, ISD released the Request for Bids (RFB-IS-11200785) which was advertised on the County website. Two companies submitted bids, Yardi Systems, Inc. and Facility Wizard Software, Inc., and the lowest bid received was from Facility Wizard Software, Inc.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

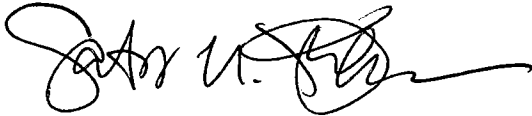
The recommended action, if approved, would assist in streamlining the Department's property management processes.

CONCLUSION

Authorize the Executive Officer of the Board to send three approved copies of this letter to the Department of Beaches and Harbors.

Respectfully submitted,

Reviewed by:



SANTOS H. KREIMANN
Director



RICHARD SANCHEZ
Chief Information Officer

SHK:sdp

Attachment

c: Chief Executive Officer
County Counsel
Executive Officer, Board of Supervisors
Chief Information Officer
Internal Services Department

CIO ANALYSIS

**AUTHORIZE THE COUNTY PURCHASING AGENT TO ISSUE A PURCHASE
ORDER FOR PROPERTY MANAGEMENT SOFTWARE SYSTEM
FOR DEPARTMENT OF BEACHES AND HARBORS**

CIO RECOMMENDATION: ☒ **APPROVE** ☐ **APPROVE WITH MODIFICATION**
 ☐ **DISAPPROVE**

Contract Type:

☒ **New Contract** ☐ **Contract Amendment** ☐ **Contract Extension**
☐ **Sole Source Contract** ☐ **Hardware Acquisition** ☐ **Other**

New/Revised Contract Term: **Base Term:** 2 Yrs. **# of Option Yrs.**

Contract Components:

☒ **Software** ☐ **Hardware** ☐ **Telecommunications**
☒ **Professional Services**

Project Executive Sponsor: Gary Jones, Deputy Director, Asset Management and Planning Bureau

Budget Information :

Y-T-D Contract Expenditures	\$ 0
Requested Contract Amount	\$238,406
Aggregate Contract Amount	\$238,406

Project Background:

Yes	No	Question
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Is this project legislatively mandated?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Is this project subvented? 100% subvention.
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Is this project/application applicable to (shared use or interfaced) other departments? If yes, name the other department(s) involved.

Strategic Alignment:

Yes	No	Question
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Is this project in alignment with the County of Los Angeles Strategic Plan? The purchase of property management software will promote and further the Board-approved Strategic Plan Goal of Operational Effectiveness (Goal 1), Service Excellence and Organizational Effectiveness (Strategy 2), by streamlining the Department's property management process.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Is this project consistent with the currently approved Department Business Automation Plan? The Department's FY 2010-11 Business Automation plan identifies the need for a replacement system to streamline and improve their asset management process.

<input checked="" type="checkbox"/>	<input type="checkbox"/>	Does the project's technology solution comply with County of Los Angeles IT Directions Document?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Does the project technology solution comply with preferred County of Los Angeles IT Standards? The solution is a Commercial-Off-The-Shelf product. .
<input checked="" type="checkbox"/>	<input type="checkbox"/>	This contract and/or project and its milestone deliverables must be entered into the Information Technology Tracking System (ITTS).

Project/Contract Description:

The Department of Beaches and Harbors (Department) is requesting authorization for the Internal Services Department (ISD) to issue a Purchase Order (PO) contract with Facility Wizard Software, Inc. (Facility Wizard) for a maximum amount of \$238,406 for property management software system licenses, maintenance, and hosting services. The issuance of the PO contract is contingent of successful negotiation of contract terms and conditions.

Background:

The Department manages leasehold properties in Marina del Rey with annual revenue of approximately \$41 million. It is currently using various software packages (Navision financial software and Microsoft Word and Excel) to support this property management function. This requires that information be stored in various files under different formats requiring excessive staff processing and tracking time. Moreover, the Navision financial software package being used is outdated and is no longer supported by the manufacturer.

Project Justification/Benefits:

The Department tracks and manages its leasehold properties using disparate systems. Facility Wizard's Property Management System will enable the Department to streamline their property management process by using a single, centralized property management software platform to administer its leasehold properties

Project Metrics:

The PO contract will include defined implementation, maintenance, and hosting service level agreement.

Impact on Service Delivery or Department Operations, If Proposal is Not Approved:

If not approved, the Department will continue to manage and administer leasehold properties using disparate systems. This will constrain their ability to efficiently and effectively track and report payments and receivables and lease dates.

Alternatives Considered:

The vendor was selected via a competitive Request for Bid (RFB) process administered by ISD.

Project Risks:

PO contract issues (e.g., payment, maintenance, and hosting) have been identified by County Counsel and the Chief Information Officer (CIO).

Risk Mitigation Measures:

Contract issues will be addressed by the Department during the vendor negotiations. The issuance of the PO contract will be contingent on satisfactory resolution. The County's Information Security Officer (CISO) has reviewed the security and disaster recovery of the hosted system solution and did not identify any risks or issues.

Financial Analysis:

The maximum amount of the PO contract is \$238,406 (see Table below). Ongoing software maintenance and hosting of \$25,256 will be paid annually by the Department. Beaches and Harbors represents there is sufficient appropriation in Department's operating budget to fund this project and the annual maintenance and hosting fees.

Description	Cost
Software	\$ 73,030
Software Maintenance (one year)	10,580
Professional Services	85,800
Project Expenses	14,400
Software Set and Hosting (one year)	23,500
Contingency	31,096
TOTAL	\$ 238,406

CIO Concerns:

None.

CIO Recommendations:

We recommend approval of the Department's recommendation.

CIO APPROVAL

Date Received: 6/8/2011

Prepared by: Gene A. Franklin Sr.

Date: 6/8/2011

Approved: 

Date: 6-9-11